

**Q.1. Attempt any THREE of the following sub-questions: [15]**

**(A) Answer the following questions in only 'one' sentence each: (5)**

1. **Ans :-** A statement showing financial position of the business on a particular date
2. **Ans :-** A gift given by a person to the concern as per the will of such person.
3. **Ans :-** Realisation of asset is a process of converting assets into cash i.e., sale of assets.
4. **Ans:-** Officer appointed by central Government for noting of dishonour bill
5. **Ans :-** Critical evaluation of financial statement to measure profitability.

**(B) Write a word / term / phrase which can substitute each of the following statements:(5)**

- (1) Equal Ratio                      (2) Donation                      (3) In the profit sharing ratio  
(4) Discounting of bill              (5) Opening Capital

**(C) Select the most appropriate alternative from those given below and rewrite the sentences: (5)**

- (1) Closing      (2) Sacrifice      (3) At Premium      (4) 25<sup>th</sup> January, 2013      (5) Large

**(D) State whether the following statements are True or False: (5)**

- (1) False
- (2) False
- (3) True
- (4) False
- (5) False

**(E) Prepare a format of a Bill of Exchange from the following information : (5)**

BILLS OF EXCHANGE			
STAMP		Ramanohar Deshmane, 210/A, Ram Nivas, Thane. 15 <sup>th</sup> March, 2012	
Sixty days after date pay to <u>Kirankumar Sane of Pune</u> or his order, the sum of <u>Rupees Fifteen Thousand Only</u> for the value received.			
<u>15,000/-</u>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>ACCEPTED FOR Rs. 14,000 only</b> </div>		
Sushilkumar Mane, Ramnagar, Sangli	sd /- Sushilkumar Mane 20 <sup>th</sup> March, 2012	sd /- Rammanohar Deshmane	

**Q.2. Ans.**

**OPENING BALANCE SHEET AS ON 1 – 4 – 2012**

Liabilities	Rs.	Assets	Rs.
Opening Capital (Balancing Figure)	55,000	Cash	15,000
		Stock	30,000
		Sundry Debtors	25,000
Sundry Creditors	10,000	Furniture	10,000
Bills Payable	15,000		
	<b>80,000</b>		<b>80,000</b>

**CLOSING BALANCE SHEET AS ON 31 – 3 – 2013**

<b>Liabilities</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>	<b>Rs.</b>
Closing Capital (Balancing Figure)		76,500	Cash		25,000
			Stock		40,000
			Sundry Debtors		30,000
Sundry Creditors		12,000	Furniture	15,000	
Bills Payable		20,000	Less :- Depreciation	<u>1500</u>	13,500
		<b>1,08,500</b>			<b>1,08,500</b>

**Mr. RAMESH STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31 – 3 – 2013**

<b>PARTICULARS</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Closing Capital as on 31-3-2013</b>		76,500
<b>Add :- Drawings (500 × 12)</b>		<u>6,000</u>
		82,500
<b>Less :- Capital Introduced</b>		<u>20,000</u>
		62,500
<b>Less :- Interest on capital (55,000×10/100)</b>		<u>5,500</u>
		57,000
<b>Less :- Opening Capital as on 1-4-2012</b>		<u>55,000</u>
<b>NET PROFIT FOR THE YEAR ENDED 31 – 3 – 2012</b>		<b>2,000</b>

OR

**Q.2 (A)**

**Ans.**

**‘Components of ‘Liquid Ratio’**

**Liquid Assets**

Cash Balance  
Bank Balance  
Debtors  
Bills Receivable  
Short term Investment  
Marketable Securities

**Liquid Liabilities**

Creditors  
Bills Payable  
Outstanding Expenses  
Proposed Dividend  
Provision for taxation

**Q.2 (B)**

**Ans. Investing Activities of Cash Flow**

1. Purchase of Fixed Asset / Investment
2. Sale of Fixed Asset / Investment
3. Dividend / Interest received

**Q.3. Ans.**

**PROFIT & LOSS ADJUSTMENT A/C**

<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>
To New R.B.D		1,000	By Sundry Creditors		2,000
			By Building		5,000
<b><u>To Profit Transfer</u></b>					
Narendra Capital	3,600				
Surendra Capital	<u>2,400</u>	6,000			
		<b>7,000</b>			<b>7,000</b>

**Dr.**

**CASH / BANK A/C**

**Cr.**

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
To Balance b/d	5,000	By Narendra Capital A/c	9,600
To Mr. Rajendra Capital A/c	20,000	By Surendra Capital A/c	6,400
To Goodwill	10,000	By Balance C/d (Diff)	19,000
	<b>35,000</b>		<b>35,000</b>

Dr. PARTNERS CAPITAL A/C				Cr.			
Particulars	N	S	R	Particulars	N	S	R
To Cash/ Bank (Diff)	9,600	6,400	---	By Balance b/d	30,000	20,000	---
To Balance C/d (B/S – L)	36,000	24,000	20,000	By General Reserve	6,000	4,000	---
				By Cash/Bank			20,000
				By Goodwill A/c (SR=OR=3:2)	6,000	4,000	---
				By Revaluation A/c	3,600	2,400	---
	<b>45,600</b>	<b>30,400</b>	<b>20,000</b>		<b>45,600</b>	<b>30,400</b>	<b>20,000</b>

**BALANCE SHEET AS ON 1<sup>ST</sup> APRIL, 2012.**

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
<b>Capitals</b>			Stock		15,000
Narendra	36,000		Bills Receivable		20,000
Surendra	24,000		Sundry Debtor	15,000	
Rajendra	<u>20,000</u>	80,000	Less :- New R.B.D	<u>1,000</u>	14,000
Sundry Creditors	15,000		Building	25,000	
Less :- Written off	<u>2,000</u>	13,000	Add :- Revaluation	<u>5,000</u>	30,000
Bills Payable		5,000	Cash/ Bank		19,000
		<b>98,000</b>			<b>98,000</b>

OR

Q.3. Ans.

Dr. PROFIT / LOSS ADJUSTMENT A/C				Cr.	
Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
To New R.B.D	500		By Land & Building		5,000
(-) Old R.B.D	200	300			
To Outstanding Legal charges		500			
To Profit Trf					
Anil Capital A/c					
Swanand capital A/c	2,100				
Ashok Capital A/c	1,050				
	<u>1,050</u>	4,200			
		5,000			5,000

Dr. CASH / BANK A/C		Cr.	
Particulars	Rs.	Particulars	Rs.
To Balance b/d	15,000	By Balance c/d (Diff)	15,000
	15,000		15,000

Dr. PARTNER'S CAPITAL A/C				Cr.			
Particulars	Anil	Swana	Ashok	Particulars	Anil	Swana	Ashok
To Goodwill A/c (Written off=B.R)	1,350	1,350	--	By Balance b/d	30,000	15,000	15,000
To Ashok Loan A/c (Diff)	--	--	21,250	By General Reserve	5,000	2,500	2,500
To Balance c/d (Diff)	35,750	17,200	--	By Goodwill A/c (Raised)	---	---	2,700
				By P&L Adj. A/c (Profit)	2,100	1,050	1,050
	<b>37,100</b>	<b>18,550</b>	<b>21,250</b>		<b>37,100</b>	<b>18,550</b>	<b>21,250</b>

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2013**

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
<b>Capital</b>			Sundry Debtors	10,000	
Anil	35,750		Less :- New R.B.D.	<u>500</u>	9,500
Swanand	<u>17,200</u>	52,950	Stock		25,000
Sundry Creditors		7,000	Plant & Machinery		15,200
Bills Payable		8,000	Land & Building	20,000	
Outstanding Legal Charges		500	Add :- Appreciation	<u>5,000</u>	25,000
Ashok's Loan		21,250	Cash/Bank A/c		15,000
		<b>89,700</b>			<b>89,700</b>

**Benefit Ratio**

B.R = N.R – O.R

Anil =  $5/8 - 2/4 = 1/8$

Swanand =  $3/8 - 1/4 = 1/8$

So, B.R (GR) = 1:1

**Q.4. Ans.**

**IN THE BOOKS OF MR. AMIT(DRAWER)  
JOURNAL ENTRIES**

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
1.	Mr. Vijay A/c Dr. To Sales A/c (Being Goods sold to Mr. Vijay on Credit)		12,000	12,000
2.	Bills Receivable A/c Dr. To Mr. Vijay A/c (Being Bills Receivable received from Vijay)		10,000	10,000
3.	Bank A/c Dr. Discount A/c Dr. To Bills Receivable A/c (Being Bills Receivable discounted with Bank)		9,750 250	10,000
4.	Mr. Vijay A/c Dr. To Bank A/c (Being Bills Receivable dishonoured)		10,000	10,000
5.	Mr. Vijay A/c Dr. To Interest A/c (Being Interest Charged on Vijay)		107	107
6.	Cash/ Bank A/c Dr. To Mr. Vijay A/c ( Being 1/5 <sup>th</sup> amount of bill received in cash)		2,000	2,000
7.	Bills Receivable II A/c Dr. To Mr. Vijay A/c ( Being Bills Receivable – II received from Mr. Vijay for the balance amt. including interest)		8,107	8,107
8.	Mr. Vijay A/c Dr. To Bills Receivable II A/c (Being Bills Receivable – II dishonoured)		8,107	8,107
9.	Cash/Bank A/c Dr. Bad debts A/c Dr. To Mr. Vijay A/c		2,021 8,086	10,107
	(Being Mr. Vijay became Insolvent and only 20% recovered from his estate, remaining 80% termed as deficiency )			

**Q.5. Ans.**

**Dr.**

**REALISATION A/C**

**Cr.**

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
<b>To Sundry Assets</b>			<b>By Sundry Liabilities</b>		
Land & Building	29,700		Sundry Creditors	41,900	
Motor Car	16,200		Bills payable	<u>5,900</u>	47,800
Machinery	22,500		By Ramdas Capital A/c (Bills Receivable)		6,000
Stock	3,900		<b>By Cash/Bank A/c</b>		
Investment	10,000		Land & Building	18,900	
Bills Receivable	<u>6,300</u>	88,600	Motor Car	12,400	
To Ramdas Capital A/c (Bills Payable)		4,900	Machinery	23,800	
To Cash/Bank A/c (Sundry Creditors)		40,000	Investment	8,200	
To Cash/ Bank A/c (Int on Ramdas Loan)		800	Stock	<u>1,700</u>	65,000
To Cash/Bank A/c (Realization Expenses)		1500	<b>By Loss Transferred</b>		
			Ramdas Capital A/c	8,500	
			Devidas Capital A/c	2,833	
			Ramakant Capital A/c	<u>5,667</u>	17,000
		<b>1,35,800</b>			<b>1,35,800</b>

**Dr.**

**PARTNER'S CAPITAL A/C**

**Cr.**

Particulars	Ram	Devi	Rama	Particulars	Ram	Devi	Rama
To Balance b/d	--	--	8,000	By Balance b/d	24,000	16,000	--
To Realisation A/c	6,000	--	--	By Reserve Fund	1,500	500	1,000
To Realisation A/c (Loss)	8,500	2,833	5,667	By Realisation A/c	4,900	--	--
To Ramkant Capital A/c	8,750	2,917	--	By Cash/Bank	--	--	1,000
To Cash/Bank (Bal.Fig)	7,150	10,750	--	By Ramdas Capital A/c	--	--	8,750
				By Devidas Capital A/c	--	--	2,917
	<b>30,400</b>	<b>16,500</b>	<b>13,667</b>		<b>30,400</b>	<b>16,500</b>	<b>13,667</b>

**Dr.**

**CASH ACCOUNT**

**Cr.**

Particulars	Rs.	Particulars	Rs.
To Balance b/d	3,400	By Realisation A/c	40,000
To Realisation A/c	65,000	By Ramdas Loan A/c	9,200
To Ramakant Capital A/c	1,000	By Realisation A/c(Int)	800
		By Realisation A/c	1,500
		By Ramdas Capital A/c	7,150
		By Devidas Capital A/c	10,750
	<b>69,400</b>		<b>69,400</b>

**Dr.**

**RAMDAS LOAN A/C**

**Cr.**

Particulars	Rs.	Particulars	Rs.
To Cash/Bank A/c	9,200	By Balance b/d	9,200
	<b>9,200</b>		<b>9,200</b>

**OR**

**Q.5. Ans. IN THE BOOKS OF PAI Co. LTD JOURNAL ENTRIES**

Date	Particulars	L/F	Debit (Rs.)	Credit (Rs.)
1.	Bank A/c (60,000 × 5) To Share Application A/c (Being Application money received on 60,000 equity shares)	Dr.	3,00,000	3,00,000
2.	Share Application A/c (50,000 × 5) To Equity Share Capital A/c (Being 50,000 Share Application money transferred to equity share capital as per Board Resolution No. ----- Dated ----)	Dr.	2,50,000	2,50,000
3.	Share Application A/c (10,000 × 5) To Bank A/c (Being 10,000 share application money were rejected and money refunded)	Dr.	50,000	50,000
4.	Share Allotment A/c (50,000 × 10) To Equity Share Capital A/c (Being Allotment call made as 50,000 eq. share at Rs. 10 per share as per B.R. No.----- dated ----)	Dr.	5,00,000	5,00,000
5.	Bank A/c To Share Allotment A/c (Being allotment call money received)	Dr.	5,00,000	5,00,000
6.	Share First call A/c (50,000 × 3) To Equity Share Capital A/c (Being share first call made on 50,000 shares at Rs. 3 per share as per B.R. No. --- dated---)	Dr.	1,50,000	1,50,000
7.	Bank A/c To Share First call A/c (Being First call money received)	Dr.	1,50,000	1,50,000
8.	Share Second & Final call A/c (50,000 × 2) To Equity share capital A/c (Being share second and Final call made on 50,000 shares at Rs.2 per share as per B.R.No. ----- dated -----)	Dr.	1,00,000	1,00,000
9.	Bank A/c (49,500 × 2) Calls in Arrears A/c To Share Second & Final Call A/c (Being money received on 49,500 shares Second & Final call and calls in arrears was on 500 shares)	Dr. Dr.	99,000 1,000	1,00,000
10.	Share Issue Expenses A/c To Bank A/c (Being expenses incurred on share issue)	Dr.	8,000	8,000

**Q.6. Ans. IN THE BOOKS OF TOTAL HEALTH CENTRE, PUNE.**

**Dr. Income And Expenditure A/c For The Year Ending 31<sup>st</sup> March, 2012 Cr.**

Expenditure	Rs.	Rs.	Income	Rs.	Rs.
To Medicines		30,000	By Subscription	2,85,000	
To Honorarium to Doctors			<b>Add :- Outstanding</b>	<u>15,000</u>	3,00,000
To Ambulance Maintenance		2,25,000	By Hospital Receipt		2,50,000
To Salaries			By Sale of old newspapers		2,000
<b>Add :- Outstanding</b>		1,32,000			
To Cleaning Charges	18,000				
To Depreciation	<u>22,500</u>	40,500			
On Hospital equipment		75,000			
On Furniture					
	9,000				
<b>To Surplus</b>	<u>10,000</u>	19,000			
<b>(Add to cap.fund B/s-L)</b>					
		<b>30,500</b>			
		<b>5,52,000</b>			<b>5,52,000</b>

**CLOSING BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2012.**

<b>Liabilities</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>	<b>Rs.</b>
Capital Fund	6,48,000		Land		7,50,000
(+) Life membership fees	<u>75,000</u>		Investments		1,50,000
	7,23,000		Ambulance		3,07,500
(+) Surplus	<u>30,500</u>	7,53,500	Hospital Equipment	90,000	
Bank loan pre-received		6,00,000	<b>Less : Depn.(20%,6mth)</b>	<u>9,000</u>	81,000
Subscription		1,65,000	Furniture	1,00,000	
Donation for Bldg Fund		45,000	<b>Less: Depn. (20%,6mth)</b>	<u>10,000</u>	90,000
Outs. Salaries		22,500	Outstanding Subscription		15,000
		<b>15,86,000</b>	Bank Balance		1,92,500
					<b>15,86,000</b>

**Q.7. Ans.**

**Dr. TRADING A/c FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2013 Cr.**

<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>
To Opening Stock		45,000	By Sales	4,05,000	
To Purchase	3,25,000		<b>Less :- Sales Return</b>	--	4,05,000
<b>Less :- Purchase Return</b>	--	3,25,000			
To Carriage	17,500	3,500	By Closing Stock		55,000
To Wages	<u>15,00</u>	19,000			
<b>Add:- Outstanding</b>		<b>67,500</b>			
<b>To Gross Profit (Trs. To P/L A/c)</b>					
		<b>4,60,000</b>			<b>4,60,000</b>

**Dr. PROFIT & LOSS A/c FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2013 Cr.**

<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>	<b>Rs.</b>
To Postage & Telegram		2,000	<b>By Gross Profit (Trs. From P/L A/c)</b>		<b>67,500</b>
To Insurance	4,500				
Less :- Prepaid (6m)	<u>2,250</u>	2,250	By Commision Received		2,100
<b>To Bad debts</b>	1,500				
(+) Futher Bad debts	--				
(+) New R.B.D	3500				
	5,000				
(-) Old R.B.D.	--	5,000			
To Discount		1,600			
To Salaries	18,000				
Add :- Outstanding	<u>2000</u>	20,000			
<b>To Depreciation</b>					
On Plant & Machinery	6000				
On Building	<u>10,000</u>	16,000			
To Int. on Bank Loan		2,000			
<b>To Net Profit (Trs to P&amp;L Appro A/c)</b>		<b>20,750</b>			
		<b>69,600</b>			<b>69,600</b>

Dr.		PROFIT/LOSS. APPROPRIATION A/C				Cr.	
Particulars	Rs.	Rs.	Particulars	Rs.	Rs.		
<b>To Profit Transferred</b>			By Net Profit b/d (Trs From P&L A/c)		20,750		
Suresh	10,375						
Subhash	<u>10,375</u>	<b>20,750</b>					
		<b>20,750</b>			<b>20,750</b>		

Dr.		PARTNER'S CAPITAL A/C				Cr.	
Particulars	Suresh	Subhash	Particulars	Suresh	Subhash		
To Drawings	5,000	3,500	By Balance b/d	1,50,000	1,00,000		
<b>To Balance c/d</b> (Trs. To B/s- Lia)	<b>1,55,375</b>	<b>1,06,875</b>	By P/L Appro. A/c (Profit)	10,375	10,375		
	<b>1,60,375</b>	<b>1,10,375</b>		<b>1,60,375</b>	<b>1,10,375</b>		

**BALANCE SHEET AS ON 31<sup>st</sup> MARCH, 2013**

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
<b>Capitals</b>			Buildings	2,00,000	
Suresh	1,55,375		<b>Less :-</b> Depreciation	10,000	1,90,000
Subhash	1,06,875	2,62,250	Plant & Machinery	60,000	
Sundry Creditors		50,000	<b>Less :-</b> Depreciation	6,000	54,000
8% Bank Loan	50,000		Sundry Debtors	70,000	
Add :- Interest on loan	2,000	52,000	<b>Less :-</b> New R.B.D.	<u>3,500</u>	66,500
<b>Outstanding</b>			Closing Stock		55,000
<b>Expenses</b>	2,000		Prepaid Insurance		2,250
Salaries	1,500	3,500			
Wages					
		<b>3,67,750</b>			<b>3,67,750</b>

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